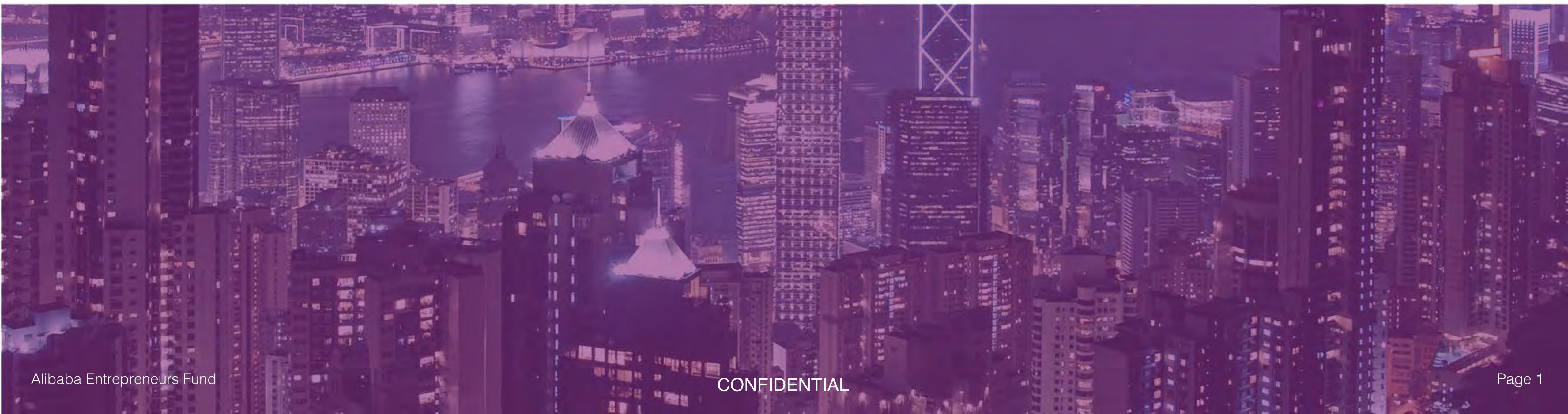


# TRANSFORMING HK THROUGH INNOVATION AND ENTREPRENEURSHIP

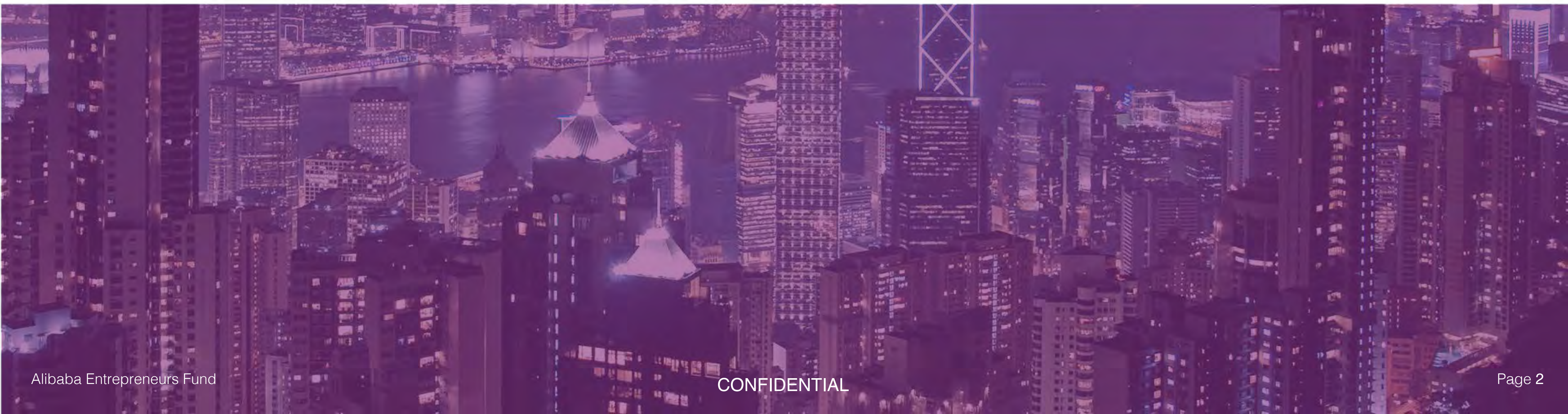
BY CINDY CHOW  
EXECUTIVE DIRECTOR, ALIBABA ENTREPRENEURS FUND



# TRANSFORMING HK THROUGH INNOVATION AND ENTREPRENEURSHIP

## Challenge 1

**Community Support to innovation and entrepreneurship is still low**



# Major Innovation & Technology development milestones

## 2015

- Innovation and Technology Bureau formed to facilitate government's I&T development strategy
- Alibaba Hong Kong Entrepreneurs Fund founded with the mission to support Hong Kong young people in pursuit of their dreams
- MIT Hong Kong Innovation Node launches, with the goal of enriching Hong Kong students' entrepreneurship knowledge and skills

## 2016

- First WeWork space opens in Hong Kong
- Innovation and Technology Venture Fund (ITVF) for co-investing in start-ups between private venture capital and government announced
- Sequoia Capital launches Hong Kong X-Tech Startup Platform, aiming to support local technology innovations

## 2017

- Artificial Intelligence Society of Hong Kong and Fintech Association of Hong Kong launch
- Government identifies four priority sectors of Artificial Intelligence, Biotechnology, Fintech and Smart City for I&T development
- Government publishes the Hong Kong Smart City Blueprint, setting out plans to make Hong Kong a world-class smart city within five years

Source: 2019 KPMG survey analysis P.41

# Major Innovation & Technology development milestones

## 2018

- HKAI Lab opens at Hong Kong Science and Technology Park
- Hong Kong Stock Exchange introduces new listing rules for companies in emerging and innovative sectors
- Faster Payment System (FPS) introduced, providing opportunities for innovation in the fintech sector
- InnoHK R&D clusters focusing on healthcare technologies and AI/robotics established at Hong Kong Science and Technology Park

## 2019

- Additional HKD 28.5 billion allocated to I&T sector initiatives in the 2019/20 Budget
- Greater Bay Area Outline Development Plan Published
- Hong Kong SAR government awards its first virtual banking licenses
- Mainland-Hong Kong Joint Funding Scheme opens for applications, inviting applications for biotechnology and artificial intelligence projects

## 2020-

## Present

- First phase of Hong Kong's planned commercial 5G network due to be rolled out
- Hong Kong SAR government's data analytics platform to become operational

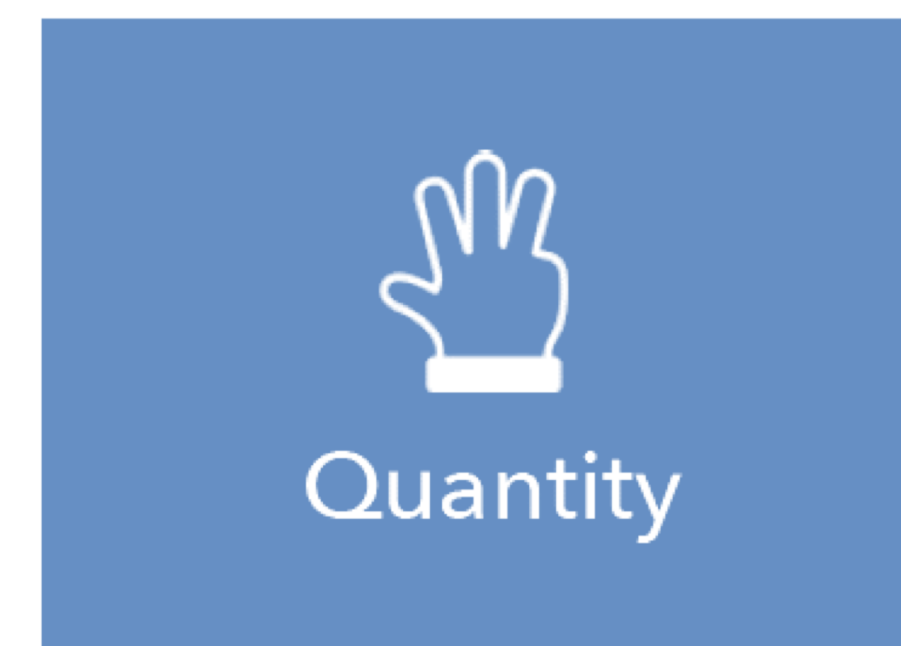
Source: 2019 KPMG survey analysis P.41

# Overall China City Ranking Start-up Ecosystem Ranking 2020

National Rank	City	Global Rank	Rank Change (from 2019)	Total Score
1	Beijing	6	+11	25.519
2	Shanghai	10	+21	21.482
3	Shenzhen	33	+7 ↑	9.611
4	Hong Kong	36	-8 ↓	9.119
5	Hangzhou	45	+196	7.185
6	Guangzhou	100	+147 ↑	3.748
7	Xiamen	126	+385	2.669
8	Chengdu	149	+378	1.892

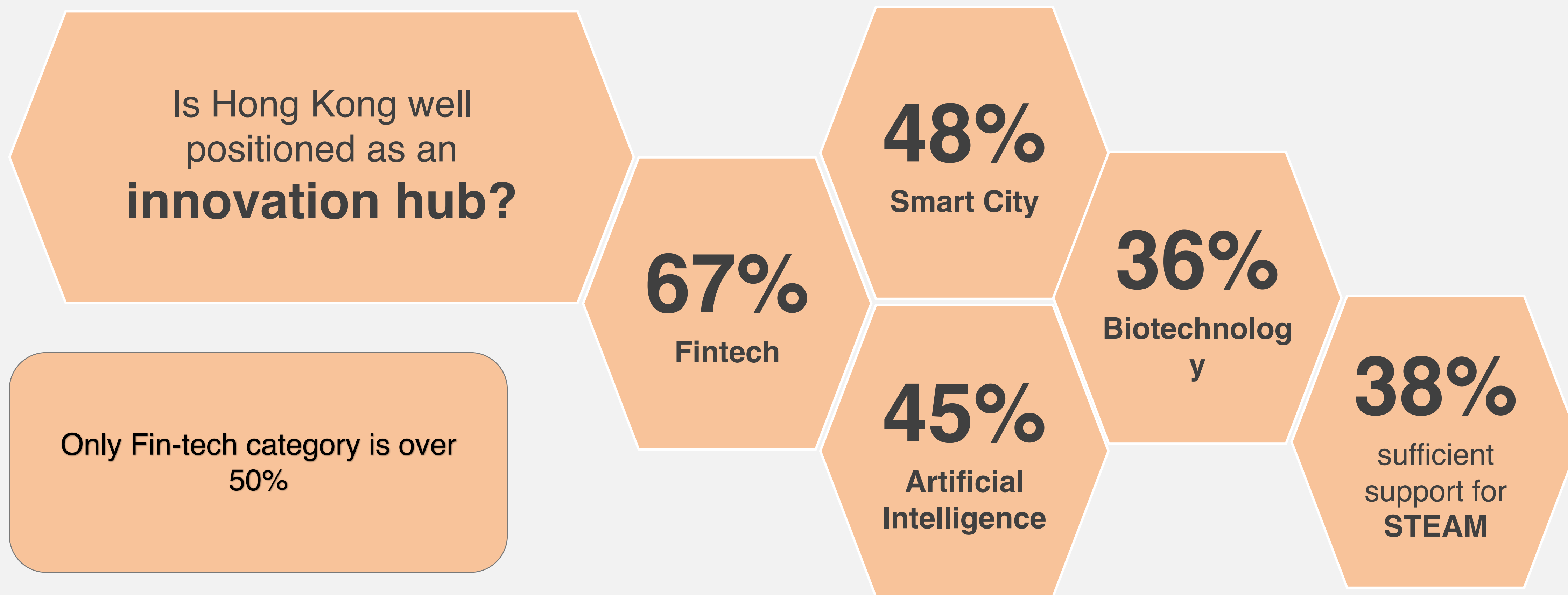
Source: StartupBlink Ecosystem Rankings Report P.22

## Measuring Criteria



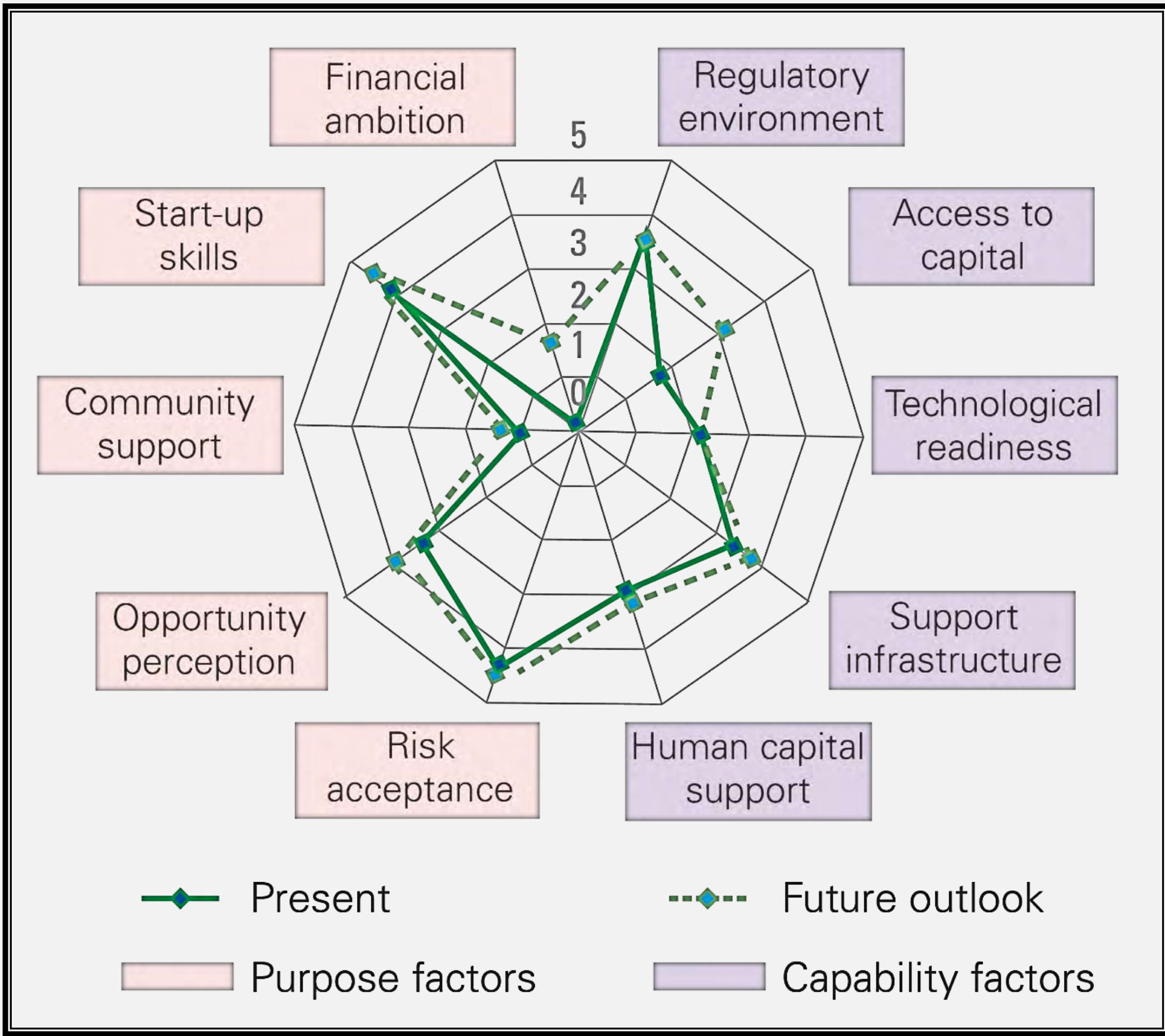
\*According to the report methodology, a startup is any new business that applies an innovative solution such as **either technological or a unique business model**. **Service providers and local directories** will not be regarded as startups, and will not be measured. Any **unicorn or public traded company valued at above \$1Billion** should not be considered a startup also.

# Fintech ranks as Hong Kong's strongest innovation sector with other areas requiring more support



Source: 2019 KPMG survey analysis P.15

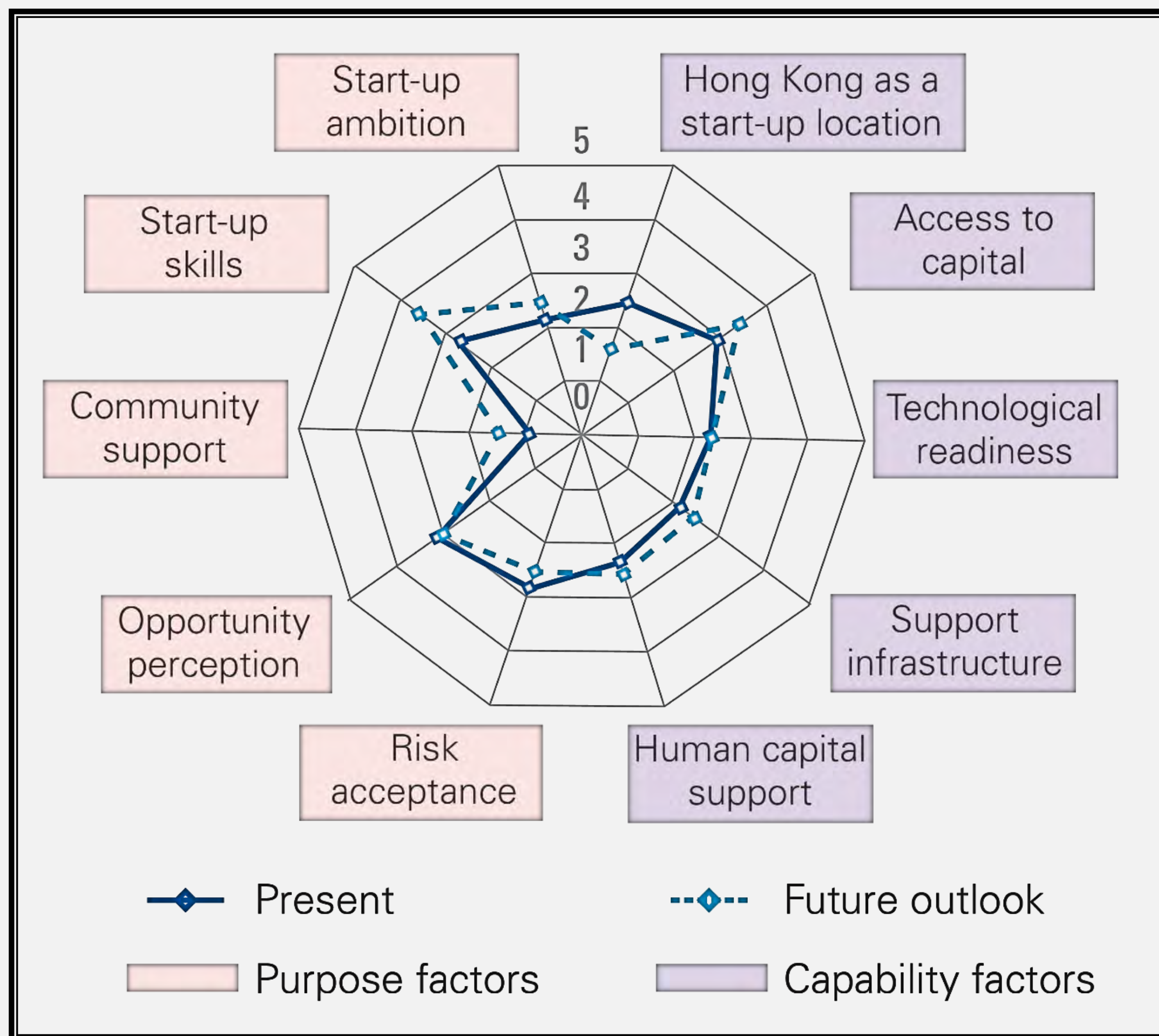
# Entrepreneurs' perception of the ecosystem



- **Financial ambition, community support and access to capital** are areas requiring most improvement
- Strong positive perception for skills and risk acceptance
- **Optimistic outlook** on all factors

Source: 2019 KPMG survey analysis P.11

# Student perception of the ecosystem

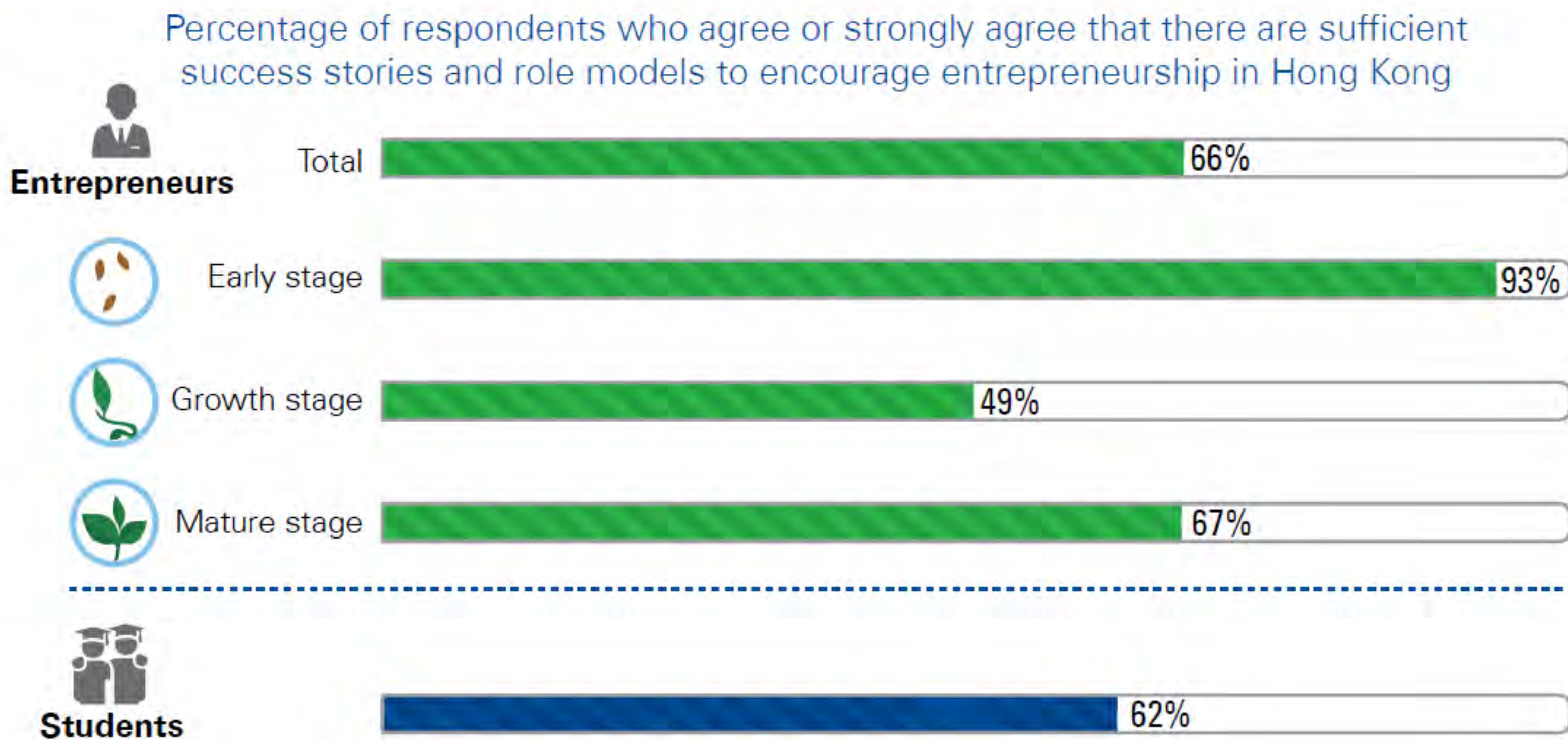


- **Community support** for entrepreneurs needs improvement
- Entrepreneurial **skills forecasted to improve** in the future
- Hong Kong perceived as less favorable as a start-up location in the future

Source: 2019 KPMG survey analysis P.11

# Success stories and role model to encourage entrepreneurship

**Figure 12: Presence of success stories and role models to encourage entrepreneurship**



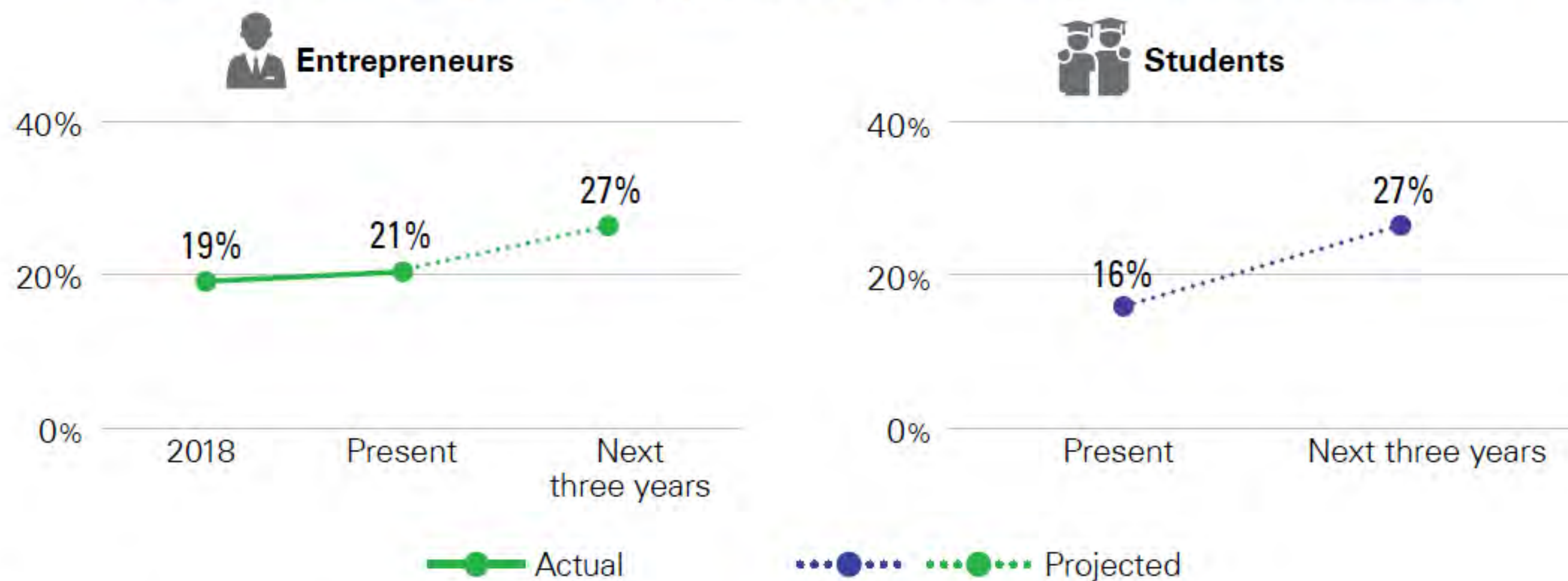
Source: KPMG survey analysis

Source: 2019 KPMG survey analysis P.22

# More support from family and friends needed to encourage people to become entrepreneurs

**Figure 11: Support from parents to start a business**

Percentage of respondents who agree or strongly agree that parents in Hong Kong are happy to support their children to start a business



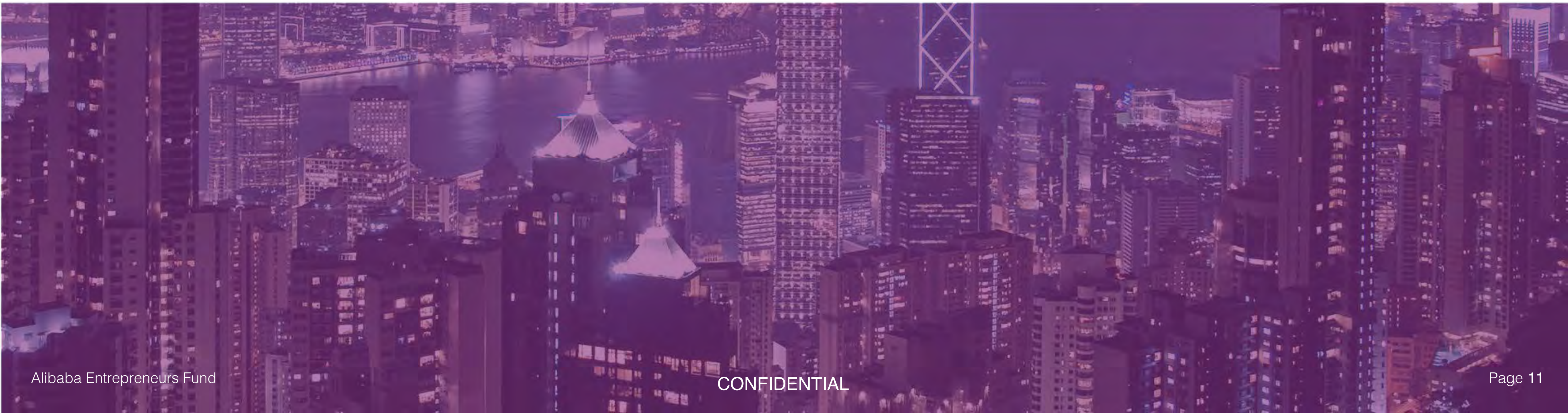
Source: KPMG survey analysis

Source: 2019 KPMG survey analysis P.23

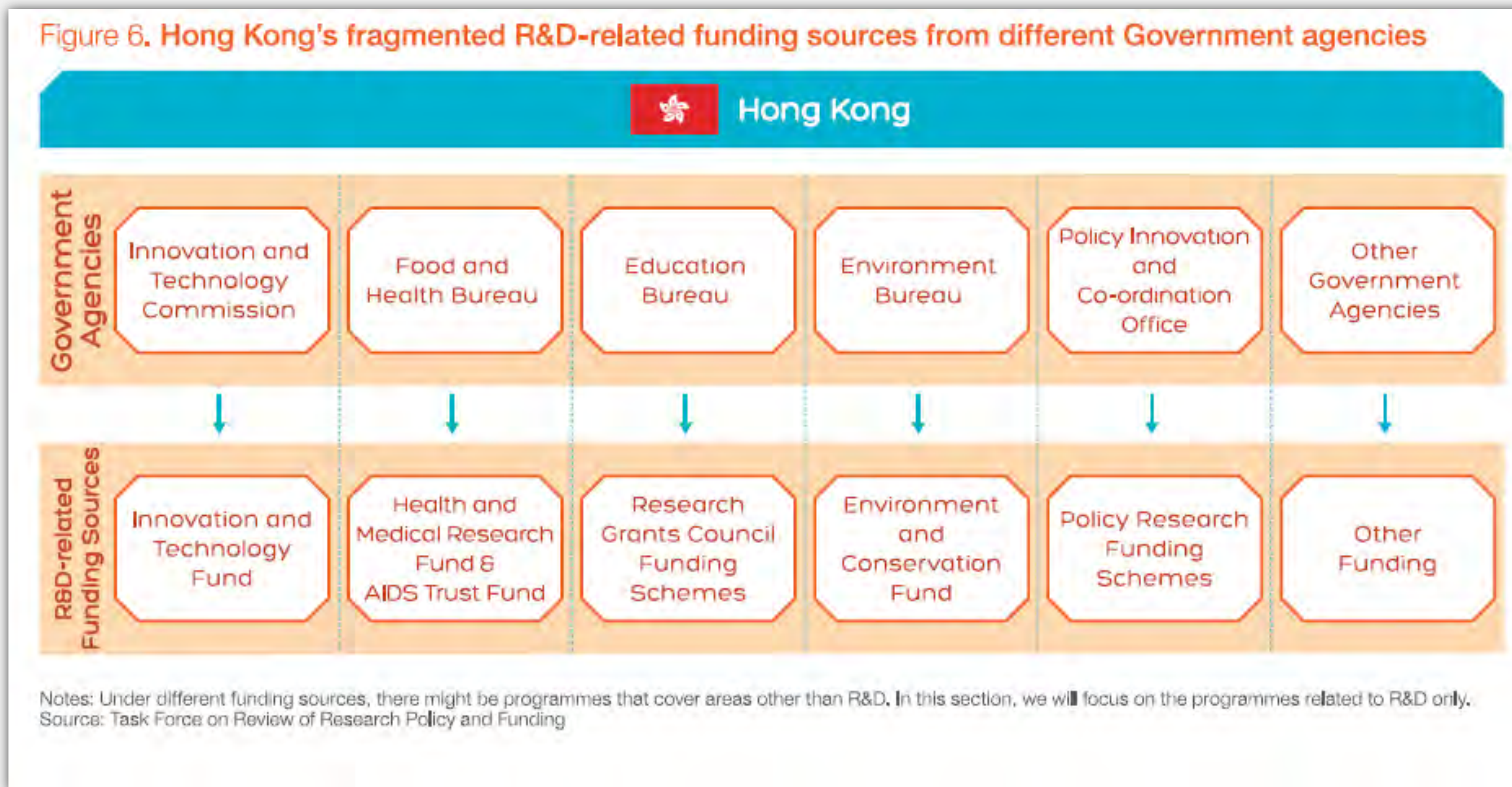
# TRANSFORMING HK THROUGH INNOVATION AND ENTREPRENEURSHIP

## Challenge 2

**Slow Government Administration which hinders the development of I&T**  
(E.g school curriculum is still very outdated & Lack of training to teachers.)



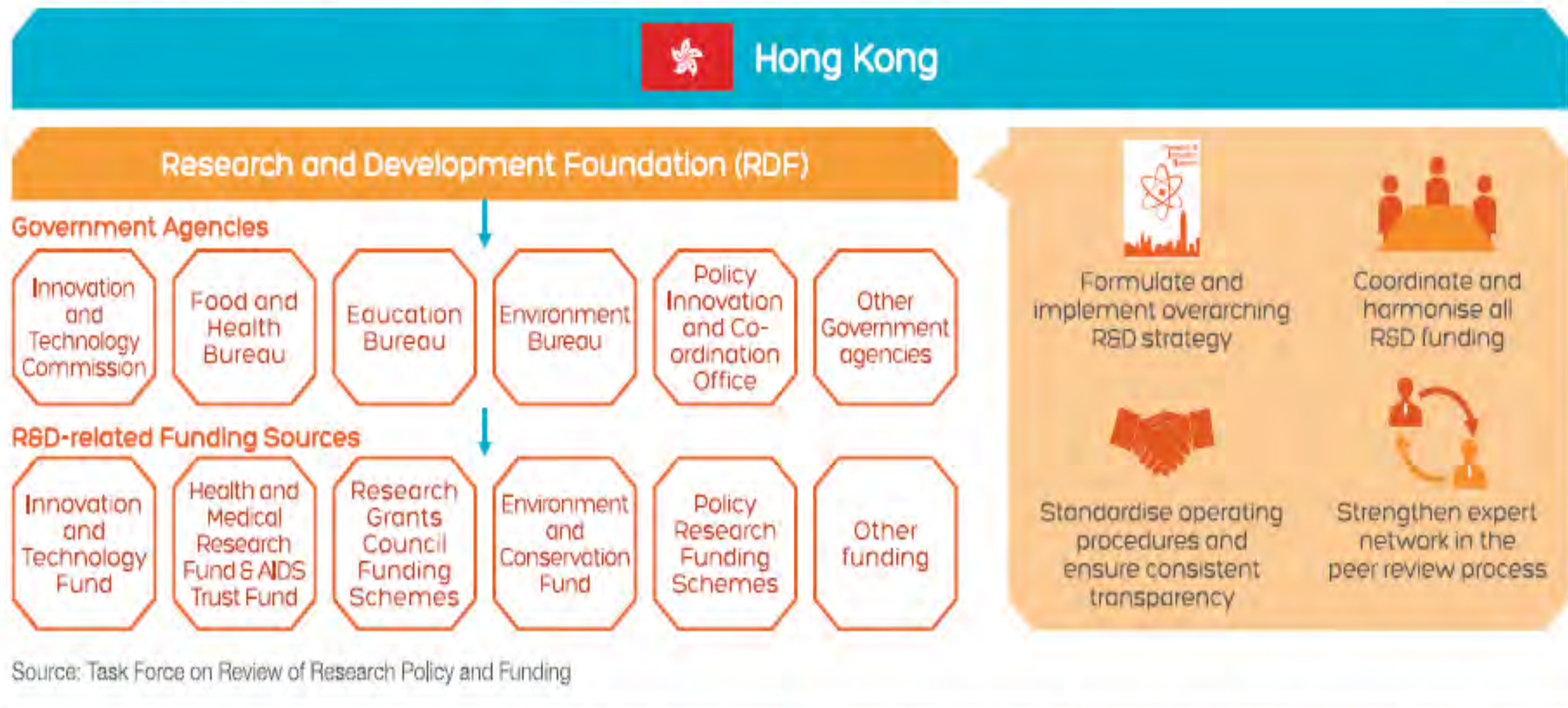
# Fragmented R&D Funding Sources in Hong Kong



Source: Our Hong Kong Foundation Science & Technology Innovation Report P.20

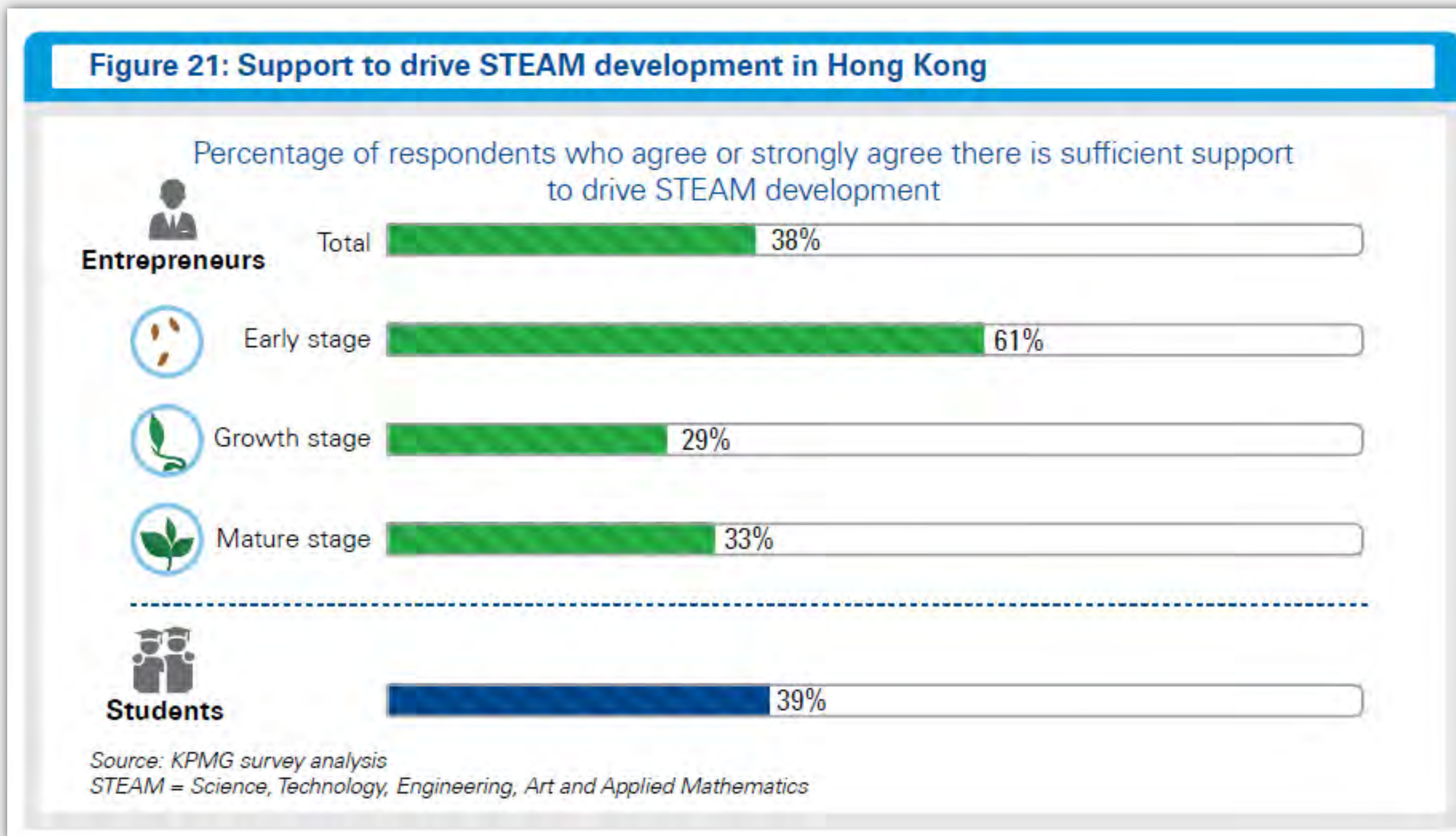
# Establish an Overarching Research and Development Foundation

Figure 9. Establish an overarching Research and Development Foundation



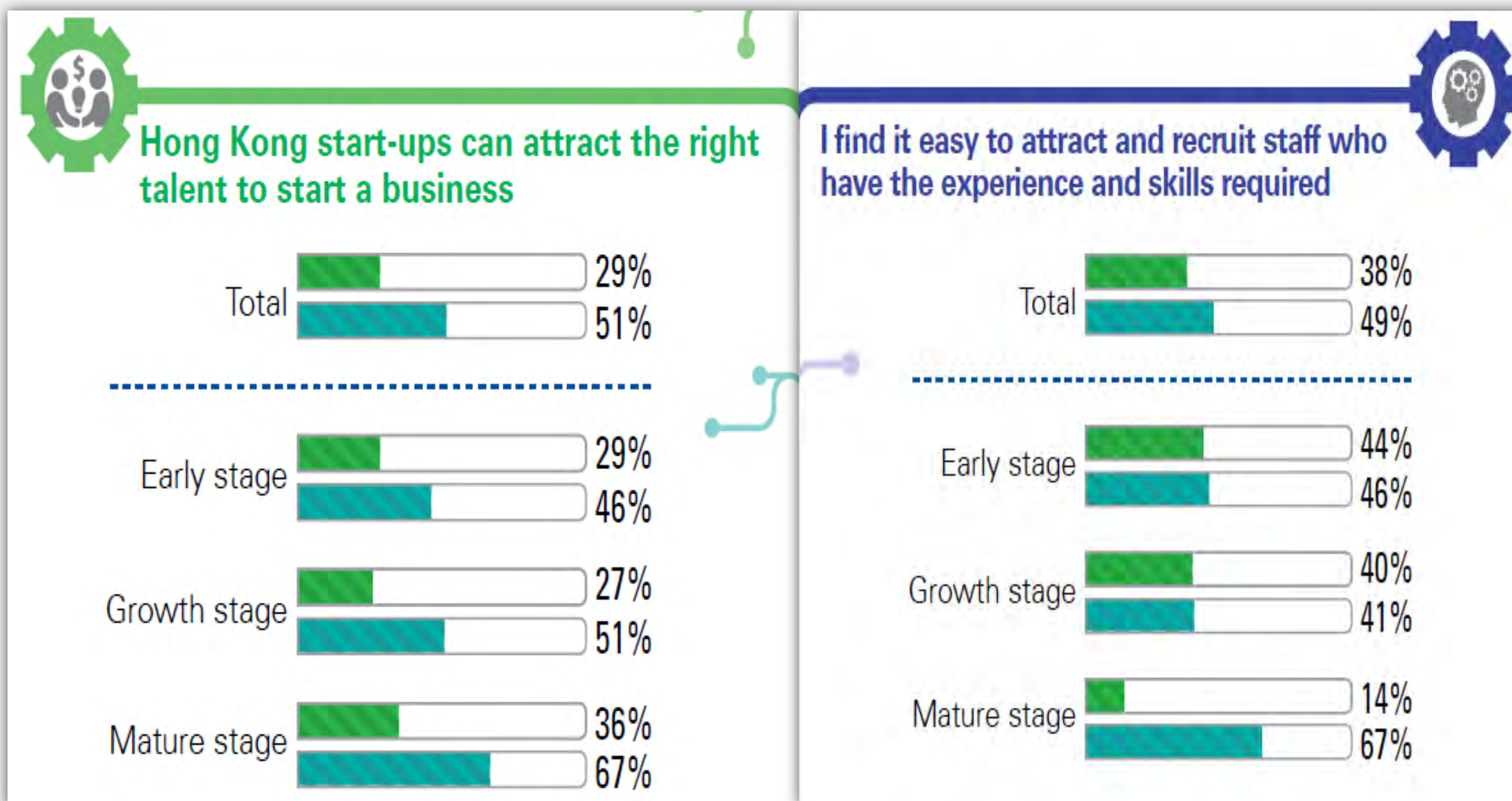
Source: Our Hong Kong Foundation Science & Technology Innovation Report P.20

# More still needs to promote the development of STEAM in Hong Kong



Source: 2019 KPMG survey analysis P.35

# Talent cultivation and retention



- Talent cultivation and retention remains a key development area for Hong Kong.
- There is a need to develop more local talent and keep local talent in Hong Kong.

Source: 2019 KPMG survey analysis P.34

# Building the R&D Talent Pipeline

## Current Situation

**Most PhD students in high-demand fields in Hong Kong are from mainland China, while local students studying in this area tend to seek employment opportunities in mainland. There is a need to develop more local talent and keep local talent in Hong Kong.**



## CHALLENGE

Challenge 1: Lack of Locally-trained Research Talents

Challenge 2: Deficiency in the Technology Talent Admission Scheme



## Recommendation

Recommendation 1: Increase the number of Research Postgraduate Students

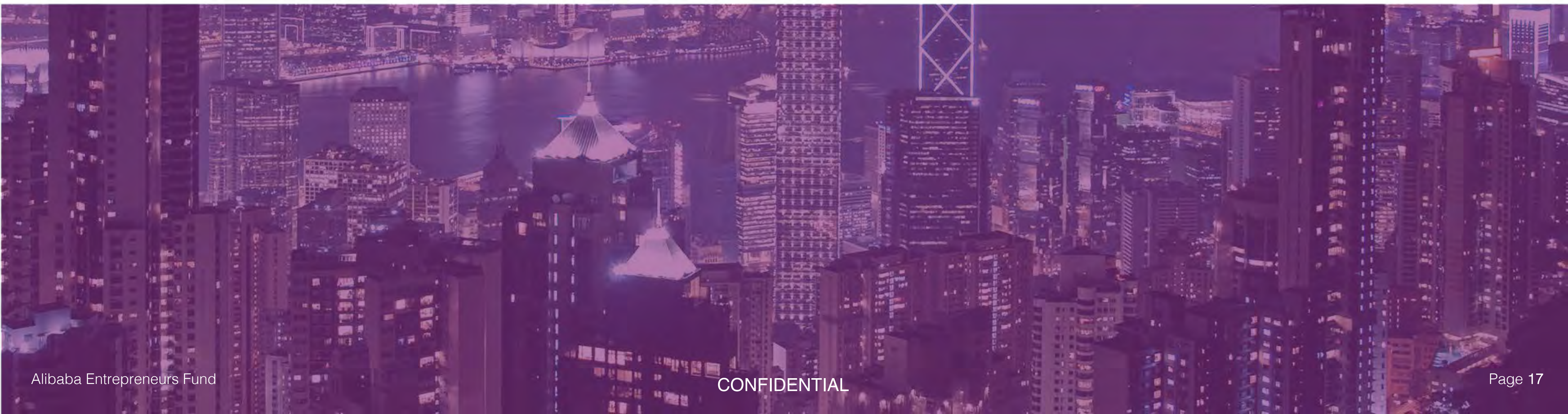
Recommendation 2: Relax eligibility requirements for the Technology Talent Admission Scheme

*Source: 2019 KPMG survey analysis P.35 & Our Hong Kong Foundation Science & Technology Innovation Report P.3, 4*

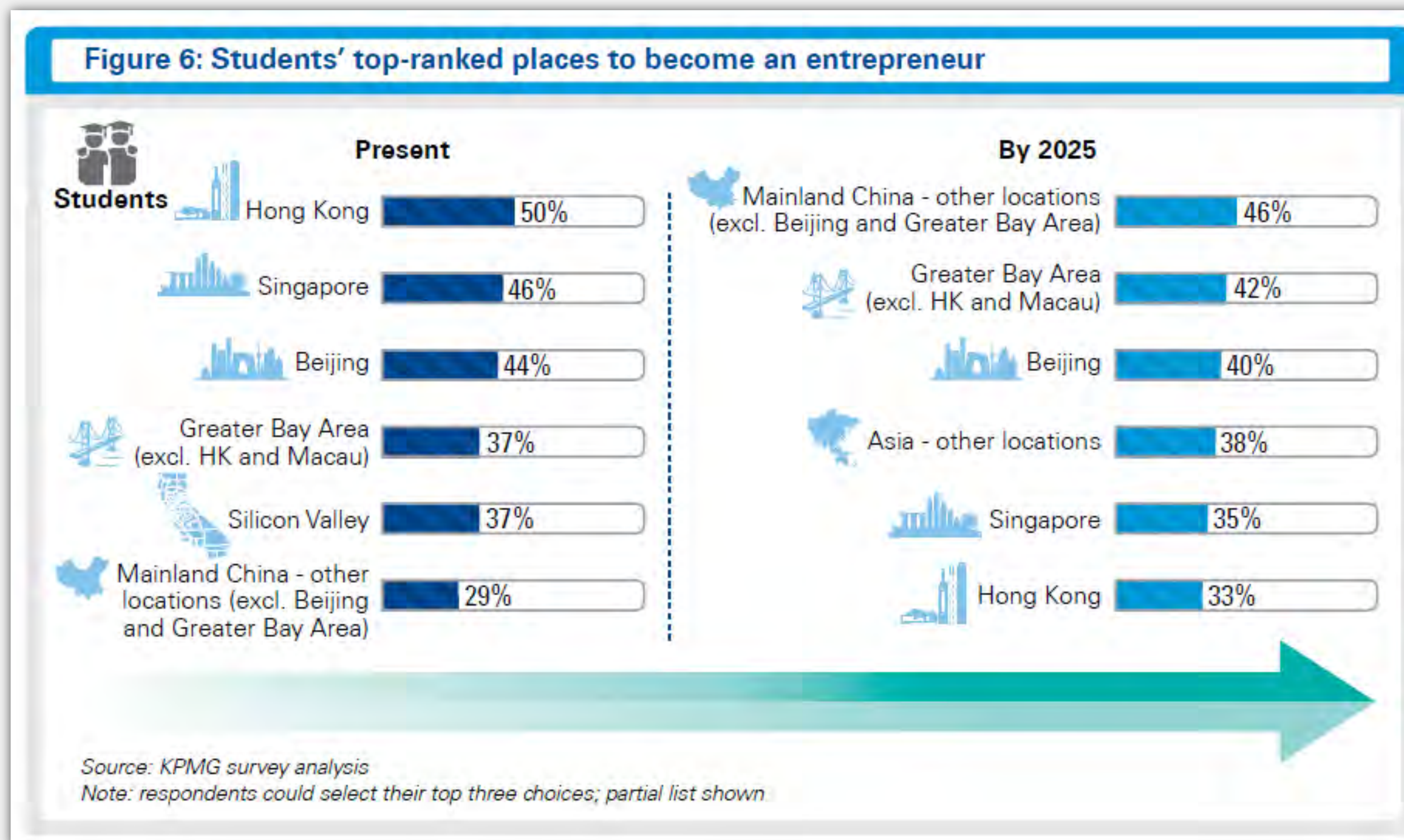
# TRANSFORMING HK THROUGH INNOVATION AND ENTREPRENEURSHIP

## Challenge 3

**Lack of insight and consideration of embracing opportunities in GBA and Mainland**



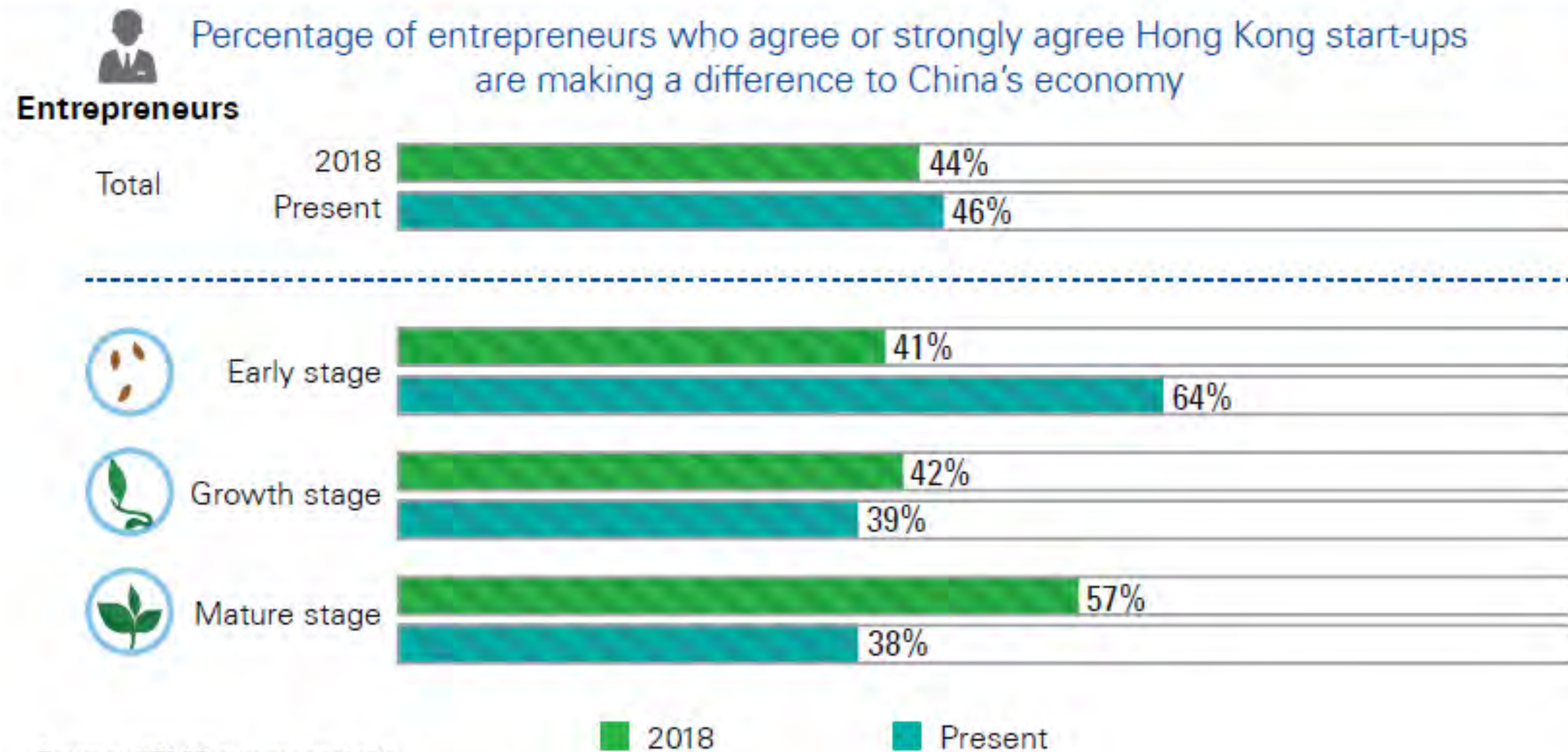
# Top-ranked places to start a business



Source: 2019 KPMG survey analysis P.17

# Increasingly confident that Hong Kong start-ups can make a difference in China

Figure 9: Making a difference to China's economy

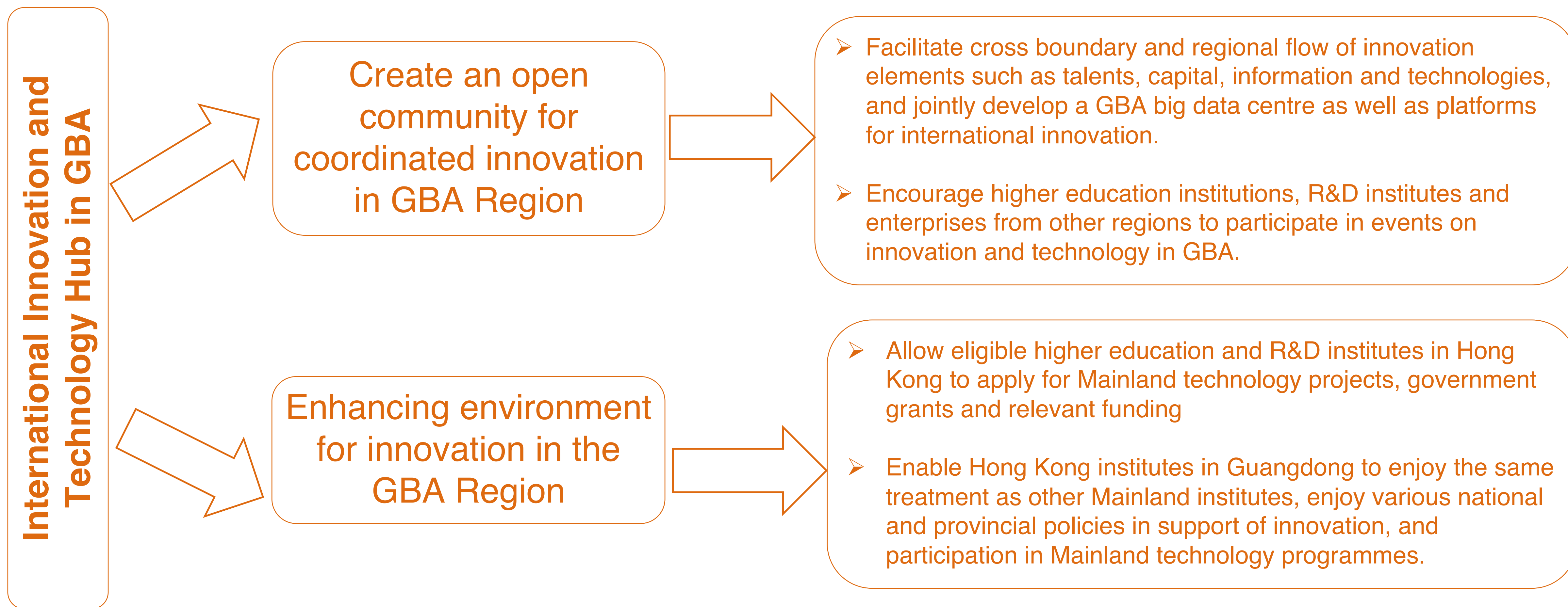


Source: KPMG survey analysis

Source: 2019 KPMG survey analysis P.20

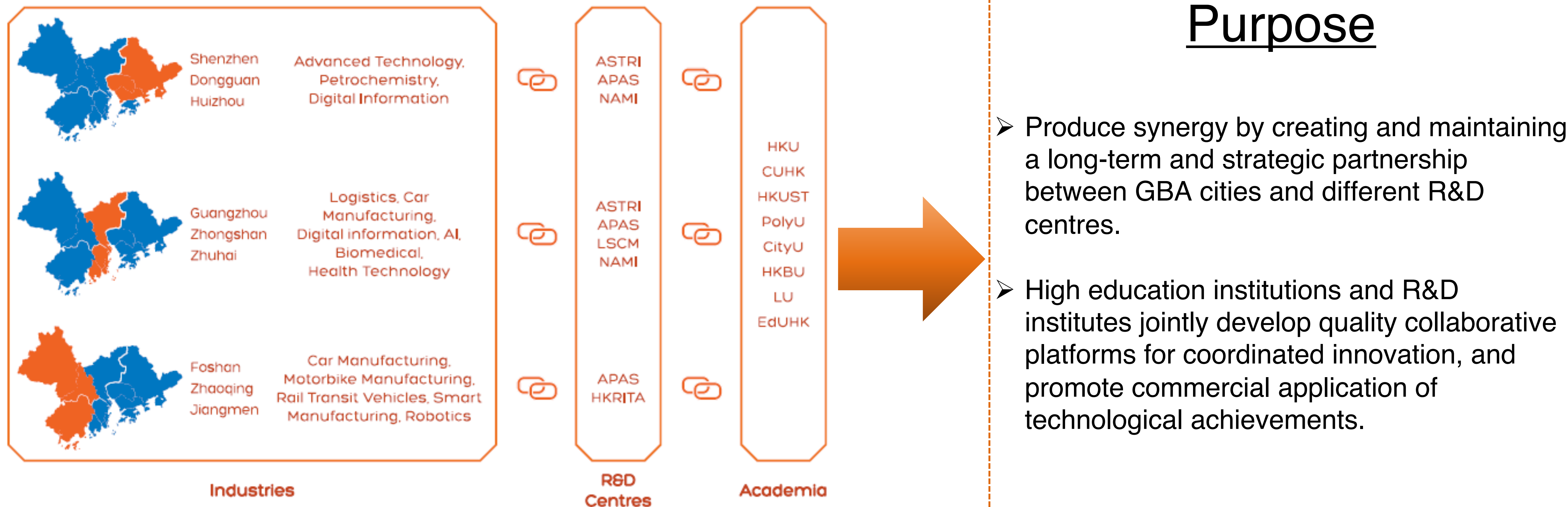
# Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area (GBA)

(published by China's State Council in February 2019)



Source: 2019 KPMG survey analysis P.38, Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area Section 4

# Cooperation opportunities between R&D Centers and GBA Industries



Source: Our Hong Kong Foundation Science & Technology Innovation Report P.53, Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area Section 4

# ALIBABA HONG KONG ENTREPRENEURS FUND



Alibaba  
Entrepreneurs Fund  
阿里巴巴創業者基金

# MISSION

Helping Hong Kong **ENTREPRENEURS** and **YOUNG PEOPLE** realize their dreams and vision for a Hong Kong that is vibrant and engaged regionally and globally

## *Board Of Directors*



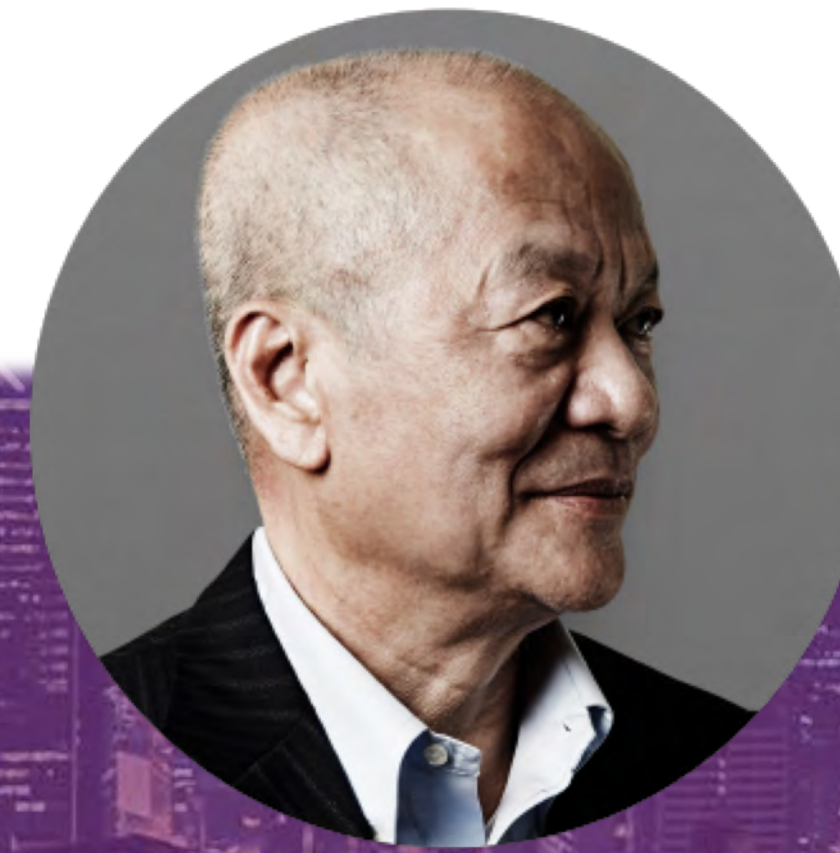
Joe Tsai



Allan Zeman



Bernard Chan



Savio Kwan



Cindy Chow

# ALIBABA EMPOWERING HONG KONG ENTREPRENEURS AND YOUNG PEOPLE



## ALIBABA ENTREPRENEURS FUND

Alibaba Group  
pledged HK\$1bn  
to establish AEF in  
Hong Kong.



**Investing in Startups**



**Nurturing Talents**



**Advocating  
Entrepreneurship &  
Innovation**

# UNIQUE MODEL



# PORTFOLIO OVERVIEW FY2020

27  
Startups

ecoinno

OneDegree

OTELMIZE



Polygence

AREA  
TECHNOLOGIES

QooApp  
www.qoo-app.com

秒投  
StockViva

pickupp

en-trak

GETLINKS

日日煮  
DAYDAYCOOK

NEX TEAM

GOGO  
VAN  
MOVE IT!

CompareAsia  
Group

AQUMON

Qupital  
QUICK QUALITY CAPITAL

origami  
LABS

YEECHOO

Prenetics

WeLab

[NOSH]  
BY SECRET INGREDIENT

GRANA

LINK

DEFINIX™

autox

SANDBOX<sup>VR</sup>

14

New Investments in  
FY2020\*

5

Follow-on Investments\*

1

Realized Investment

All figures are based on AEF's aggregated data as of March 31, 2020 unless otherwise stated.

\*Over the 12-month period ended March 31, 2020

# SUPPORTING INNOVATION



## HKAI LAB

- Cutting-edge technologies and expertise
- Commercialize new inventions
- Build a vibrant entrepreneurship culture

**≤3 years**  
 An applicant (an individual or a company) must have a Hong Kong-registered company established for no more than three years if your application is accepted.

**HK**  
 The majority of the founding team must either be Hong Kong permanent residents, or the company's meaningful operations are carried out in Hong Kong.

**>50%**  
 The founding team members must hold more than 50% of the company shares.

**≥50%**  
 At least 50% of your team should engage in the field of AI-related work.

**≥2**  
 The company employs at least two full-time staff.

**≥50%**  
 Your core activity at the lab should be related to R&D. You cannot use the office space for only sales and marketing.

**No retail**  
 No retail activities or large-scale production is permitted at the lab.



## VENTURE HOURS

Alibaba Entrepreneurs Fund

- Networking opportunity
- Quality feedback from experts
- Opportunity to exchange ideas, inspire and collaborate with others



# JUMPSTARTER

JUMPSTARTER is a not-for-profit initiative curated by Alibaba Hong Kong Entrepreneurs Fund. Our goal is to build, empower and jumpstart Hong Kong's startup ecosystem by bringing entrepreneurs, investors, corporates and public together, and transform Hong Kong into a leading hub for global innovation and technology.

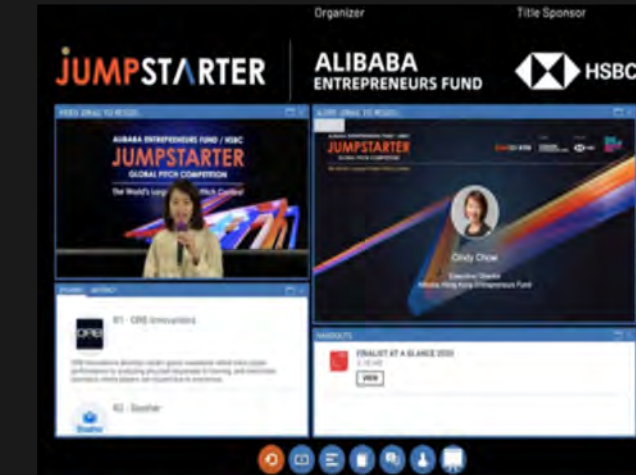
JUMPSTARTER 2020 ([jumpstarter.hk](http://jumpstarter.hk)) is the world's largest online pitch competition and most rigorous startup event. We have brought together corporates, investors and media to connect with startups online.



# JUMPSTARTER 2020 by the Numbers

JUMPSTARTER 2017 & 2019 @ Hong Kong  
Hong Kong Pitch Competition & Global DEMO Day

JUMPSTARTER 2020 Global Pitch Competition  
& The World's Largest Online Pitch Contest



**12,000+**

Attendee

**730+**

Startups

**900+**

Investors, Corporates  
& Industry Experts

**120+**

Media

**70+**

Speaker, Judges  
& Experts

**20,000**

Fans & Supporters

**100**

Regions & Countries

**400+**

Online Show Time (Mins)

**115+**

Supporting Organizations

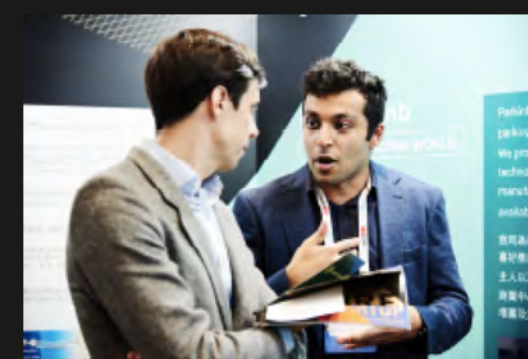
**150+**

Media Coverage



**100+**

Startup Showcase



**800+**

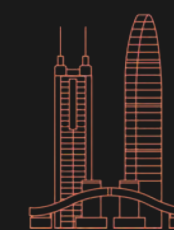
Business Matchmaking Arranged



**100+**

Media Coverage Generated

## 8 Offline Semi-Pitches Around the World



Shenzhen



Kuala Lumpur



London



San Francisco Bay Area



Toronto



Hong Kong



Beijing



Shanghai

# TALENTS NURTURING



## AT ALIBABA

Gain exposure to the latest technology and China's dynamic business environment

## BENEFITED

→ 240+ ←

STUDENTS SINCE 2016

## AT HK STARTUP

Experience the real life in working at startups

The figure is based on AEF's aggregated data as of March 31, 2020 unless otherwise stated.

# TALENTS NURTURING



## RoboMaster 2020 Youth Tournament (Hong Kong)

- Creativity
- Self-Motivation
- Communication
- Collaboration

STEM learning



## JUMPSTARTER IDEAPOP!

- Celebrate and Showcase Young Talents' Creativity, Innovation and Achievement
- Adopt technology, open-mindedness to achieve personal growth with entrepreneurial mindset.
- Mentorship, pitch coaching, startup workshops opportunity to students



**“We always believe that the best way to do philanthropy is combining the heart with the commercial approach.”**

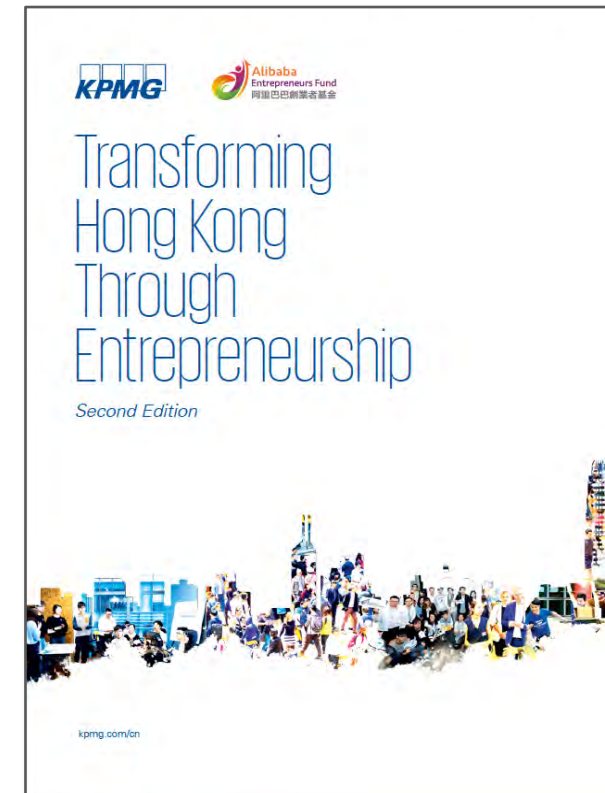


**Jack Ma**

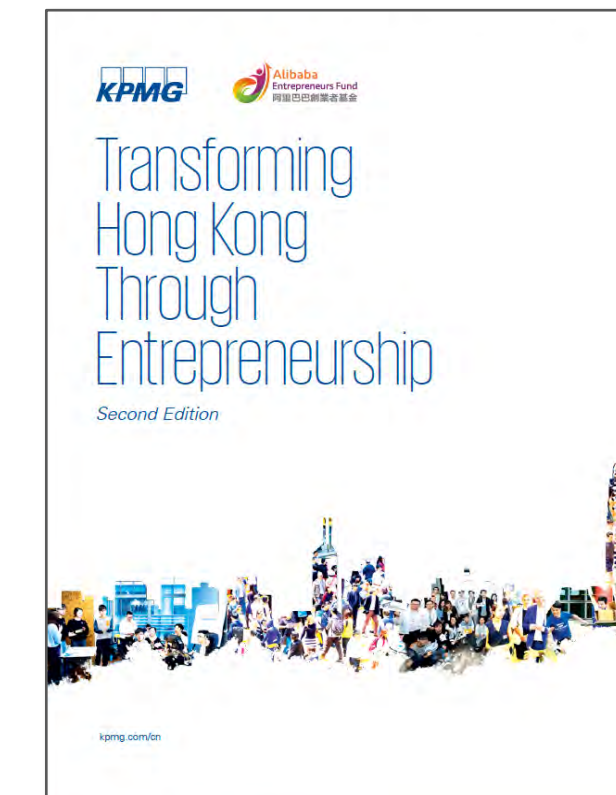
*Founder of Alibaba Group*

# Thank you !

2020 KPMG Survey  
\*\*Survey for Corporate\*\*



Download full 2019 report



# INNOVATE • DREAM • SHAPE THE FUTURE

